

~~CONFIDENTIAL~~

26 March 1958

MEMORANDUM FOR THE RECORD

SUBJECT: New Headquarters Building - Separation of Excavation and Foundation Work from the General Contract.

1. At the Deputies' Meeting on Monday, 24 March 1958, there was general discussion as to whether or not it would be advisable to separate the Excavation and Foundation Contract for our new building from the General Contract. It was the consensus that it would be highly desirable to accomplish as much actual construction work as possible prior to 1 January 1959.

2. During this Meeting the fact that (a) the Congress generally felt that we were proceeding too slowly in this matter, (b) construction during late Fall would be far more suitable than attempting to start construction in mid-Winter, (c) construction of several large office buildings in this area had been canceled recently, and (d) that the recession generally favored an early contract were all discussed. On the other side of the coin, the problems of administering two separate contracts, the risk of incurring additional costs, etc., were also discussed. It was clear that the Director favored separation of the over-all Contract into two parts if the risk were not too great and he requested that we obtain our very best estimates on times for construction and the estimated costs thereof. Pursuant to this request the attached paper, outlining the advantages and disadvantages of two contracts, was prepared and its substance considered at the Deputies' Meeting on Wednesday, 26 March 1958, at which time it was decided that insofar as CIA was concerned we should proceed on the basis of separating the Excavation and Foundation Contract from the General Contract. I was instructed to work out the necessary details to comply.

15/
L. K. White
Deputy Director
(Support)

DD/S:LKW:laq

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Separation of Excavation and Foundation Work from the General Contract

1. Completed plans and specifications for the entire project cannot be submitted before September 1, 1958. This will delay the award of a General Contract until mid-December 1958 and probably much later if budget difficulties are encountered.

2. Plans and specifications covering excavation and foundation work (on the main building only) can be made available in June 1958 and a contract can be awarded for this work by mid-August 1958. Separation of excavation and foundation work will not delay completion of the plans and specifications for the balance of the project.

Advantages of two contracts:

1. The necessary time to complete and coordinate the contract documents for the entire project will be available. It will also provide time for the review and acceptance of the alternate bids necessary to stay within the funds available for the General Contract.

2. A savings in the completion of the entire project might well be realized by starting the excavation and foundation in advance of the General Contract. August is a more favorable time of year for this type of work than December or January.

3. If adverse sub-soil conditions are encountered, changes can be made before the award of the General Contract.

4. Possible savings may result by receiving bids in a more favorable construction market.

Disadvantages of two contracts:

1. The total cost of the project might possibly be increased by having two contracts instead of one. Unless a single contractor is awarded both contracts we stand to pay two mobilization costs.

2. Delays resulting from labor problems may result if either of the contractors is union or non-union as compared to the other.

3. The existing contractor doing the grading and drainage work has until September 29 to complete his contract. Problems in getting one contractor off the job and out of the way for the next may arise.

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4. Two contracts could decrease the desired continuity and responsibility in connection with all phases of the work. Also the general problems will possibly be increased by administration and supervision of two contracts instead of one.

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Report on Status of CIA Building Funds

31 December 1957

	<u>Funds Available</u> ^{1/}	<u>Obligated</u>	<u>Unobligated Balance</u>	<u>Expended</u>	<u>Unexpended Balance</u>
<u>Road Construction:</u>					
National Park Service	\$ 6,209,171	\$5,554,222	\$ 654,949	\$2,603,013	\$ 3,606,158
National Capital Planning Commission	290,000	290,000	-	250,000	40,000
Bureau of Public Roads	693,580	357,335	336,245	349,208	344,372
CIA Balance	1,307,249	-	1,307,249	-	1,307,249
Sub-total - Road Construction.	8,500,000	6,201,557	2,298,443	3,202,221	5,297,779
<u>Building Construction:</u>					
General Services Administration.	2,025,000	1,858,229	166,771	210,634	1,814,366
CIA	7,750	7,750	-	7,750	-
CIA Balance	43,967,250	-	43,967,250	-	43,967,250
Sub-total - Building Construction	46,000,000	1,865,979	44,134,021	218,384	45,781,616
Total - Roads and Building.	54,500,000	8,067,536	46,432,464	3,420,605	51,079,395

^{1/} This column reflects funds transferred to the agencies concerned; CIA balances reflect amounts available for subsequent transfer as needed.

13 February 1958

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